

PUBLIC LISTENING SESSIONS ON CALIFORNIA'S AGRICULTURAL FUTURE

Good morning Secretary and State Food and Ag Board members. My name is Ryan Jacobsen, and I represent the farmers and ranchers of Fresno County Farm Bureau. Thank you for giving us the opportunity to share our thoughts and hopes for California agriculture over the next twenty years.

Needing no introduction for anyone here today, California agriculture is truly a wonder that safely feeds and clothes individuals throughout the world. The agricultural productivity and diversity seen in this state is not found anywhere else. The people, soil, climate and water make this Valley and State bloom.

I would like to stand before you today and paint a rosy picture twenty years from now of an increasingly vibrant agricultural economy within the state, but unfortunately I share the concerns of many in the industry who you have already heard from about the worries they have for today and the future. It's difficult to pinpoint a single factor that has lead to this pessimism but rather it's the "death by a thousand cuts" that growers and ranchers throughout the state are experiencing that threatens their livelihoods and our state's productivity.

Simply, California agriculture is taken for granted by the citizens and elected officials of this state. We're a nation that is blessed with the ability to over produce affordable, high quality food and fiber products. Consumers never have to worry about food being available at their local grocery store. It's different elsewhere in the world. Almost every day news stories report about a worldwide shortage of food and hungry residents rioting over the high cost of basic food items. The World Bank estimates that global food prices have risen 83 percent in the last three years, leading to food riots in Haiti, Egypt and Somalia and the use of troops in Pakistan and Thailand to protect crops and storage centers. The World Bank President says that 33 countries are at risk of food-related upheaval. The stories of shortages go on and on.

Because of our country's amazing agriculture and food-production industry, U.S. consumers have it much better. Although consumers may complain about the increased costs of products, we do fare much better than other nations. Here in the U.S., consumers spent only 5.8 percent of their income on food in 2006. This is one of the lowest percentages than any other nation. In the Britain, consumers spent 8.7 percent of their income on food, and in most of the world it's at least 10 percent. But, because of rising production costs, the USDA predicts overall food prices could increase another four-to five percent in 2008 -- still much less than other nations.

What does all this mean to the California farmer? Public perception is that if food prices are high, the farmers must be getting rich. Not so. In fact, farmers of many commodities may not see any increase in crop prices this year due to the very nature of how agricultural goods are priced and skyrocketing input costs they pay to bring the crop to market. As farmers, we often joke how we pay retail and sell wholesale. The reality is farmers and ranchers are price-takers, not price-setters.

The American Farm Bureau Federation reports farm production costs increased by \$22 billion in 2007, and are expected to rise even higher this year. It doesn't matter whether it more for fuel or fertilizers, increases for labor, higher feed costs for livestock, or higher water bills, most farmers simply do not have the ability to pass those costs along to the companies that buy their crops. And here in California we have our own set of rules to deal with like the ARB Truck and On-Farm Equipment Rules, which will require farmers and ranchers with working equipment and trucks to replace or retrofit every mobile diesel engine on their farm over the next 3-10 years: A cost of billions that will put farms out of business. And of more immediate

concern is the lack of water many in our state are facing because of thirty years of little or no improvements in our state's water infrastructure and environmental regulations that have choked agriculture. We have reached a point where economically we can't continue to support these additional costs of business in California. Every new rule or regulation we see has a tax, fee or implementation cost that adds up collectively to a great amount.

Without a level of profitability – or at least economic sustainability – for our farmers and ranchers, the long-term availability of a domestic food supply could be in question. The resourcefulness and fortitude of today's farmers will help keep him or her in business, but only if back-to-the-farm prices can keep up with increased production costs and if policy-makers and regulators can keep from adding new regulations that raise the cost of doing business.

In summary, we ask that your vision address these key issues:

- Recognition that agriculture is strategically important to the survival of the United States. Our nation and state's economies, environment and national security are dependent upon the viability of the agricultural industry. Thus agriculture must be treated as a strategic resource by our nation and reflected as such in local, state and federal government policies.

- Develop and maintain an affordable and adequate long-term water supply for agriculture, which ultimately benefits the end-user consumer.

- Increase the economic opportunities for farms and ranches.
- Increase agricultural research and development.
- Increase the consumption of domestically grown food supplies.
- Develop and maintain a reliable agricultural workforce.
- Provide relief from constraining rules and regulations. If new laws are developed, base them on sound science.

- Develop land use policies that protect land owner rights but allow those who wish to continue to farm that opportunity.

- Lastly, create incentive programs that encourage or recognize activities that enhance soil, habitat for species, air or water quality.

California agriculturalists have dealt with tough issues since agriculture began in this state and will fight to keep this way of life strong. I know I personally don't want to rely on foreign food as we currently rely on foreign oil. I wish you all the best of luck in developing a plan that will help proactively sustain California agriculture in the short and long terms.

Thank you.